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OFFICE FOR PROJECT SERVICES

Report of the Secretary-General

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Note by the Secretary-General

Office for Project Services (OPS)

1. The overriding objective of the Secretary-General's proposal on OPS, submitted in the context of the restructuring of the economic and social sectors, was the elimination of the conflict inherent in UNDP exercising coordination responsibility in relation to the operational activities of the system while retaining, through OPS, its own implementation capability.

2. The Secretary-General, in his capacity as Chairman of ACC, has particular responsibilities with respect to coordination within the United Nations system. He has also been requested repeatedly by the General Assembly to strengthen coordination at the country level, especially through the Resident Coordinator system. The Secretary-General is committed to this goal. The conflict referred to above, however, has tended to affect the perception of UNDP as an impartial agent in this regard and, therefore, the Secretary-General's capacity to utilize fully UNDP as his main coordinating arm.

3. At the same time, the Secretary-General is committed to maintaining the financial viability of OPS and its capacity to operate as "a business". His aim is not only to maintain, but to enhance, the effectiveness of OPS.

4. A second main objective of the Secretary-General's proposal was the elimination of duplication between OPS and DDSMS in the implementation of project services.

5. The Secretary-General is extremely concerned by the continuing uncertainty which, he understands, is shared by member States. In devising a solution which would meet the above objectives and, at the same time, be responsive to the views and concerns expressed by members of the Executive Board, the Secretary-General has sought arrangements which could be acted on by member States without lengthy review of new administrative procedures.

6. It is therefore proposed to establish the Office for Project Services as a separate entity headed by an Assistant Secretary-General as the responsible manager under the authority of the Secretary-General. He/she would be responsible and accountable for the day-to-day management of the Office. The Executive Director would report on the activities of OPS to the UNDP Executive Board.

7. The Secretary-General would establish a Management Coordination Committee to assist him in the exercise of his responsibilities in this regard. A continuing concern of the Committee in this context would be to ensure that funding and coordination, technical support, and implementation functions, while remaining distinct, are carried out in a coordinated and synergistic way to maximise the effectiveness of the services provided to recipient countries.

8. The Administrator of UNDP, the Under-Secretary-General for Development Support and Management Services and the Under-Secretary-General for Administration and Management would serve as members of the Committee. The Executive Director of OPS would serve as Secretary of the Committee.

9. As an additional means of enhancing OPS' effectiveness and responsiveness to the requirements of recipient countries, as well as exploiting fully OPS' comparative advantages without duplicating substantive capacities available elsewhere in the system, an Advisory Committee of Users would be established to provide feedback to OPS on the effectiveness of its operations as perceived by the major users within the United Nations system. The Committee would be chaired by the Under-Secretary-General for Development Support and Management Services, as one of the users of OPS.

10. Administrative support for OPS would continue to be provided by UNDP, as a reimbursable service. The existing financial and personnel regime would be maintained. OPS would continue to work at country level through the field network of UNDP.

11. The UNDP Executive Board would serve as the governing body for OPS in the same way as it serves, for example, as the governing body of UNFPA. (It could possibly be renamed the Executive Board of UNDP, UNFPA and OPS). The role of member States vis-à-vis OPS operations would remain unchanged.

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12. The above arrangements would meet the main objective of removing the conflict between coordination and implementation. They would assure continuity of administrative support, while avoiding at the same time the establishment by OPS of its own separate administrative apparatus. They would also ensure that OPS continues to operate in a supportive development milieu, in partnership with UNDP and other operational entities. Existing duplication could still be eliminated to a large degree, since DDSMS could, even under this new formula, utilize OPS for the implementation of most of its projects.

13. Subject to endorsement by the Executive Board of the above arrangements, the Management Coordination Committee could, at a later stage, utilizing, as necessary, outside expertise, review the existing financial and personnel regime with a view to enhancing further the efficiency of OPS operations. Such studies could also serve to ascertain whether the continuation of administrative support by UNDP, or the provision of support by DAM or other appropriate sources, would be more cost-effective. Such further studies could well deal also with the appropriate scope of OPS services, so as to be fully responsive to user needs.

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